GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:3135
ANSWERED ON:04.08.2016
Fund Allocation to the Ministry
Gandhi Dr. Dharam Vira;Gavit Dr. Heena Vijaykumar;Mahadik Shri Dhananjay Bhimrao;Sule Smt. Supriya Sadanand

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) the amount allocated to the Ministry during the last three budgets;
(b) whether there has been a successive reduction in the budgetary allocations in these years;
(c) if so, the reasons therefor;
(d) whether the Government consider that the Ministry needs no substantial funds to continue successful implementation of reforms in functioning of local bodies under 73rd and 74th amendments to the Constitution, if so, the details thereof;
(e) whether the functioning of Panchayati Raj institutions have been adversely affected due to the slashed budgetary allocation to the Ministry, if so, the details in this regard, and
(f) whether the functioning of the Ministry will suffer because of the discontinuation of Backward Regions Grant Allocation, if so, the details thereof and the steps proposed to be taken thereon?

Answer

MINISTER OF STATE OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)

(a) to (c) : The amount allocated to the Ministry during the last three budgets is given below:-
(Rs. in Crore)

2014-15		2015-16		2016-17
B.E.	R.E.	B.E.	R.E.	BE
7000.00	3400.00	94.00	220.00	768.33

B.E.: Budget Estimates R.E.: Revised Estimates

The budget allocation of the Ministry was reduced from Rs. 7000 crore in 2014-15 to Rs. 94 crore in 2015-16 as the flagship programmes of the Ministry i.e. District component of Backward Regions Grant Fund (BRGF) and the State Component of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) with an allocation of Rs.5900 crore and Rs. 1050 crore, respectively, were delinked from the central allocation.

(d) to (f): The Gram Panchayats have been allocated a grant of Rs. 2,00,292.2 crore for the period 2015-20 as recommended by the Fourteenth Finance Commission (FFC) for delivery of basic services. From 2015-16, the States also got enhanced share of allocation in the Central Taxes from 32% to 42% as recommended by the FFC. This has provided much needed flexibility to the States to formulate and implement the development plans as per local requirements especially to address the issues of backwardness. With the enhanced flow of funds to the Gram Panchayats on account of recommendations of the FFC, transfers by the State Governments and State Finance Commissions, the role of Ministry of Panchayati Raj has increased particularly in strengthening the capacities of the Panchayati Raj Institutions, handholding and to promote good governance at the grassroots level. Accordingly, the Ministry of Panchayati Raj has been allocated Rs. 768.33 crore during the current financial year of 2016-17 so that the PRIs are enabled to play their role as assigned under 73rd and 74th Amendments to the Constitution.

*****